

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T   S H E E T**

**APPROVAL TO AMEND AN EXISTING LEGAL ENTITY AGREEMENT WITH  
TRANSITIONAL LIVING CENTERS FOR  
LOS ANGELES COUNTY, INC.  
FOR FISCAL YEARS 2007-08, 2008-09, AND 2009-10  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**REQUEST**

1. Authorize the Director of Mental Health or his designee to prepare, sign, and execute Amendment No. 3 to the existing Department of Mental Health's (DMH) Legal Entity (LE) Agreement No. MH120179 with Transitional Living Centers for Los Angeles County, Inc. (TLC) for the provision of Non-Medi-Cal reimbursable services and a Wellness Center in Fiscal Year (FY) 2007-08 through the term of the Agreement. The Amendment increases the Maximum Contract Amount (MCA) by \$558,300 from \$1,106,018 to \$1,664,318. The Amendment will be effective upon Board approval and is fully funded by Non-Medi-Cal County General Funds (CGF) and Mental Health Services Act (MHSA) funds in FY 2007-08, and by MHSA funds in FY 2008-09 and 2009-10.
2. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the LE Agreement and establish a new MCA, the aggregate of the original Agreement and all amendments through and including this Amendment, provided that: 1) the County's total payments to the contractor for each fiscal year shall not exceed a change of 20 percent from the applicable revised MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Officer (CEO) or their designee is obtained prior to any such Amendment; 5) County and contractor may by written amendments reduce programs or services without reference to the 20 percent limitation and revise the applicable MCA; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

**PURPOSE/JUSTIFICATION**

Amendment No. 3, which increases TLC's MCA by \$558,300 for FY 2007-08, exceeds delegated authority as it represents a greater than 20 percent increase in the MCA previously approved by the Board on June 12, 2007 for this Contractor.

Board approval of the requested actions will enable TLC to maintain the current level of Non-Medi-Cal reimbursable services and implement a Wellness Center in keeping with

the MHSA Community Services and Supports (CSS) Plan approved by the Board on October 11, 2005. The TLC Wellness Center is designed to serve clients, primarily in TLC's residential programs that are ready to take increasing responsibility for their own wellness and recovery.

In addition to furthering the goals of the MHSA, the recommended actions will enhance the Department's ability to fill a longstanding gap in the service delivery system by serving clients that are in advanced stages of recovery, thus offering a cost-effective alternative to ongoing day treatment or maintenance visits at outpatient clinics. The ultimate goal of all Wellness Centers is to reduce reliance on the mental health system by building a sustaining network of community-based support systems for clients no longer requiring more traditional care.

## **BACKGROUND**

TLC is located at 15342 Hawthorne Boulevard, Suite 102, Lawndale, California 90260, in Supervisorial District 2. TLC has traditionally provided culturally and linguistically appropriate services to adults through two residential programs and outpatient and day treatment services.

In FY 2004-05, due to a deficit in CGF, it was necessary for DMH to plan for reductions to achieve a balanced budget. After an extensive planning process involving hundreds of clients, providers of services, community representatives and other stakeholders, a plan was developed to curtail various services, including non-categorical CGF-supported day treatment, in light of emerging best practices in mental health care that instead focus on recovery activities that are community and culturally responsive. During FY 2006-07, the Department began implementing the curtailment plan by working with impacted agencies to transform these day treatment services into new, recovery-oriented programs, such as Wellness Centers, consistent with the models developed through a stakeholder planning process and contained in the County's CSS Plan. These Wellness Centers support the health of the whole person, both physical and mental; education and employment; stability in housing; and clients' involvement in their own recovery and that of others as well as in community activities. As noted in the CSS Plan, the Centers are managed by professional staff, with at least 50% mental health consumer staffing, and provide client-run services with adjunctive professional support.

Planning for the transformation of TLC's day treatment services was not completed during FY 2006-07, resulting in the curtailment of its day treatment services and a concomitant reduction in TLC's MCA for FY 2007-08. Amendment No. 3 will provide the funding necessary to implement TLC's plan for a Wellness Center.

Fact Sheet  
Transitional Living Centers for Los Angeles County, Inc.  
Page 3

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